

Subj: ANALYSIS RESULTS SUMMARY OF 14TH MARINE REGIMENT (AAC M14301)

1. High Risk. Property Accountability was assessed as a High Risk based on one condition.

a. Condition. Property Management.

(1) Criteria: Supply Checklist; Property Accountability: question three, seven, nine, 10, 11, 13, 14, and 15 of enclosure (2); Control of Serialized Small Arms: question three of enclosure (2); General Supply Procedures: question six of enclosure (2).

(2) Cause: The appointed Supply Officer is an Artillery Officer (MOS 0802) who was appointed in February 2017. The Supply Officer did not have the resident knowledge and training required to supervise the Supply Chief and the supply staff with their duties. The command appointed a Staff Sergeant as Supply Chief in September 2018; however, (b)(6) was on convalescent leave from October 2018-February 2019. The Regimental Supply Chief aided the battery supply office until the Staff Sergeant's return, however with minimal positive impact. The supply leadership did not establish procedures to maintain accurate accountable records and retain key supporting documents in the supply active file to support transactions/adjustments with monthly/annual inventories and equipment transfers. Additionally, the Command did not establish procedures for Financial Liability Investigation of Property Loss (FLIPL). The unit had \$124,000 of inventory adjustments for government property that were not assessed for liability with the FLIPL process. The failure to maintain KSDs and establish property management procedures will degrade the Command's ability to comply with mandated audit trail, and may lead to fraud, waste, and abuse.

(3) Recommendations:

(a) Ensure that Marines with responsibilities to maintain property accountability are sufficiently trained while enforcing property accountability IAW MCO 4400.201 Vol 3, Vol 4 & Vol 17.

(b) Establish an effective training program for all aspects of retail-level supply operations within the command.

(c) Conduct comprehensive Semi-Annual Internal Control reviews to include findings and recommendations (CAP/POAM) IAW NAVMC 4000.5C.

(d) Implement effective internal control procedures and establish a Supply Active File IAW MCO 4400.201.

(e) Seek guidance and assistance from HHQ and MFR Material Readiness Training Cell (MRTC).

2. Medium Risk. Procurement is assessed as a Medium Risk based on one condition.

a. Condition. Requisition Management.

(1) Criteria: Supply Checklist; Requisition Management: question one, two, and three of enclosure (2).

Enclosure (1)

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(2) Cause: The Supply Officer and Supply Chief failed to properly train and supervise the Requisition Management Clerk on the Due and Status File (DASF) and had ineffective reconciliation procedures established. The Requisition Management Clerk was a SMCR Marine on Active Duty Operational Support (ADOS) orders due to the lack of active duty personnel at the unit. In addition, the Requisition Management Clerk did not have the knowledge and experience to manage the DASF. This resulted in the Requisition Management Clerk processing unnecessary follow up transactions for requisitions with valid status, follow up transactions for requisitions that were never acknowledged by the Source of Supply, and failed to take corrective actions on requisitions with aged shipping statuses. The ineffective DASF management directly contributed to the lost shipment transactions processed in excess of \$200,000 of Class IX (Repair Parts) and military equipment (ME). The command expressed that a DASF/MPR reconciliation was conducted; however, the ineffective Supply/MMO reconciliation procedures coupled with the lack of experience and knowledge compounded problems such as closed service requests with open requisitions, repair parts on sub-inventories past allowed timeframes, and ineffective quality control actions to ensure parts requirements within Service Requests were debriefed prior to closure of the Service Request. Ineffective reconciliation procedures and commodity training may result in a loss of fiscal audit trail information, waste, fraud, and abuse, mismanagement of the organization's financial resources, and degradation of the key users' ability to transact within GCSS-MC.

(3) Recommendation:

- (a) Manage all requisitions IAW MCO 4400.150 and UM 4000.125.
- (b) Execute effective reconciliations with Supply, MMO and all commodities.
- (c) Establish an effective training program for all aspects of retail-level supply operations within the command.
- (d) Seek guidance and assistance from HHQ and MFR Material Readiness Training Cell (MRTC).